

Introduction

Good afternoon. My name is Nancy Schiff and I am a Senior Project Manager for the MassHealth Pharmacy Program. I am here to present staff testimony on the adoption of amendments to 101 CMR 322:00 Rates for Durable Medical Equipment, Oxygen and Respiratory Therapy Equipment.

Amendments are proposed to be effective no sooner than July 1, 2023. EOHHS may adopt a final, revised version of the regulation taking into account relevant comments and any other practical alternatives that come to its attention.

Background

Regulation 101 CMR 322:00 governs the payment rates paid by MassHealth and other governmental purchasers for durable medical equipment and medical supplies rendered to publicly-aided individuals by providers. This includes payment rates for durable medical equipment and medical supplies (DME) available through pharmacies when claims are processed through the Pharmacy Online Processing System (POPS).

Description of Changes

EOHHS is updating 101 CMR 322.00 to provide the Executive Office and Health and Human Services (EOHHS) the authority to price durable medical equipment and medical supplies (DME) available through pharmacies with claims processed through the Pharmacy Online Processing System (POPS) at the lower of wholesale acquisition cost (WAC) and usual and customary charge (U&C), as those terms are defined in 101 CMR 331.00: Prescribed Drugs. EOHHS would identify any non-drug products to be made available through pharmacies in an administrative bulletin describing the pricing methodology, as well as on the MassHealth Drug List. This pricing is largely consistent with how EOHHS prices prescription drugs dispensed through pharmacies.

This amendment is needed because pharmacy claims paid in POPS must have a specific rate, and it is not always possible to use the DME rate methodology to identify a specific price. In addition, in certain instances the product available through traditional DME providers is for a more expensive specialized version of the item than the version typically dispensed in a pharmacy.

The proposed regulation will enable state government payers to pay for DME products through pharmacies at rates that are reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated pharmacies, and to ensure that payment rates are consistent with efficiency, economy, and quality of care. The amendment is also expected to help ensure access to DME products through pharmacies to the public.

Fiscal Impact

There is no immediate fiscal impact, because this regulatory change only gives EOHHS the ability to issue new administrative bulletins to identify products subject to the new pricing methodology. For those products for which EOHHS issues administrative bulletins, EOHHS does not expect significant fiscal impact because these products are already available through DME providers; this proposal is designed mainly to expand access to these products at pharmacies that are not DME providers.

This concludes my testimony.

Thank you.